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Jacqueline Kurth, Manager
Medical Resource Office
Industrial Commission of Arizona
PO Box 19070
Phoenix, Arizona 85005-9070

July 1, 2019

Re; 2019-2020 Physicians' and Pharmaceutical Fee Schedule Public Hearing

Dear Ms. Kurth:

I am a general surgeon in private practice in Phoenix, AZ for 38 years, and I also am a senior fellow at the Cato Institute in Washington, DC where I work in the Department of Health Policy Studies. I write this letter to comment on the proposed changes to the fee schedule, offering the perspective of a health care practitioner concerned with access to and delivery of quality care to patients, as well as the perspective of a public policy analyst.

The ability of physicians to both prescribe and dispense pharmaceuticals directly impacts the delivery of quality health care to their patients. Many patients with industrial injuries and disabilities are in need of immediate relief, and if the specialist to whom they have been referred by emergency medical or other providers of stabilization and triage is equipped to dispense pharmaceutical relief, but prohibited from doing so by the Industrial Commission fee schedule, this forces such patients to take unnecessary additional visits to "brick and mortar" drug stores to obtain medication that had been readily available to them at the doctor's office-based pharmacy. This subjects patients to delays in treatment. In some cases, patients may have difficulty traveling to and from the home to providers' establishments, and regulations that add to this burden are more than inconvenient—they may effectively deprive patients of needed treatment.

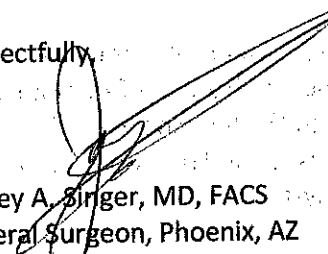
Similarly, restricting dispensing of medications to initial office encounters also imposes hardships on patients for whom travel is difficult and possibly even painful.

Physicians interested in dispensing medications through their clinic pharmacies sustain expenses in order to comply with state dispensing regulations. Sometimes compliance requires the hiring of additional personnel. The proposal to terminate payment of the physician dispensing fee may create disincentives to health care providers who are otherwise willing to incur the expense of establishing an in-office pharmacy, and burden existing ones. From the perspective of a health care practitioner, the proposed changes to the fee schedule run counter to the goal of providing access to quality care to victims of industrial injuries.

From a public policy standpoint, the proposed fee schedule stands to benefit one subset of pharmacies, retail pharmacy establishment, at the expense of another subset—physician-based pharmacies. Physicians' pharmacies are subject to and follow the exact same rules, laws, procedures, and reporting requirements as retail pharmacies. The differential treatment of physician pharmacies would represent an unequal application of existing law pertaining to location, practice, and procedures. It also protects one segment of the pharmacy industry against competition from another segment. This display of what some call "cronyism," as in all cases of protectionism, comes at the expense of the consumer. And in this case, the consumer is a patient suffering from an industrial injury.

For these reasons, I find it necessary to submit that the proposed changes to the Industrial Commission Fee Schedule regarding the dispensing of medications from physician pharmacies run counter to the goal of quality care to victims of industrial injuries and is bad public policy.

Respectfully,


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